

**STATE OF ILLINOIS**  
**ILLINOIS COMMERCE COMMISSION**

**ORIGINAL**

ILLINOIS  
COMMERCE COMMISSION

2002 SEP 13 A 11: 1b

98-0252  
CHIEF CLERK'S OFFICE

Illinois Bell Telephone Company

Application for review of alternative  
regulation plan.

Illinois Bell Telephone Company

Petition to rebalance Illinois Bell Telephone  
Company's Carrier Access and Network  
Access Line Rates.

Citizens Utility Board and  
The People of the State of Illinois

-vs-

Illinois Bell Telephone Company

Verified Complaint for a Reduction in Illinois  
Bell Telephone Company's Rates and Other  
Relief.

98-0335

(cons.)

00-0764

**STAFF OF THE ILLINOIS COMMERCE COMMISSION'S RESPONSE  
TO AT&T'S MOTION FOR CLARIFICATION**

The Staff of the Illinois Commerce Commission (hereafter "the Staff"), pursuant to Section 200.190 of the Rules of Practice before the Illinois Commerce Commission, 83 Ill. Admin. Code 200.190, and in response to AT&T Communications of Illinois, Inc.'s Motion for Clarification, states as follows:

1. On September 3, 2002, AT&T Communications of Illinois, Inc. (hereafter "AT&T") filed its Petition for Clarification of the Commission's August 13, 2002 Interim Order in the above-referenced proceeding. *See, generally, AT&T Petition.*

2. AT&T seeks clarification that: "the one time credits the Commission authorized Ameritech to issue in satisfaction of its obligation to flow merger savings through to its retail customers shall be issued to those end users that were Ameritech retail customers as of August 13, 2002 – the date the Interim

Order was issued – rather than those end users that happen to be Ameritech retail customers of record at the time the bill credit is actually issued sometime this coming October.” AT&T Petition at 1-2.

3. AT&T asserts that the issuance of credits to customers of record on the date of issuance of the credits, as opposed to the date of the Commission's Interim Order, has and will continue to have a chilling effect upon competition for local exchange service in Ameritech's service territory, inasmuch as customers who wish to obtain the credit in question – in the not insubstantial sum of approximately \$50 – will be compelled to continue taking local exchange service from the Illinois Bell Telephone Company (hereafter “Ameritech”) through and until the date upon which the credit is issued. AT&T Petition, ¶¶ 3-5. This being the case, such customers will be disinclined to switch carriers until after credits are issued. Id.

4. The Staff notes that the Commission's *Interim Order* does not specifically address the issue of the date upon which persons must be Ameritech customers to receive credits. However, the *Interim Order* observes that “[Ameritech, in sponsoring the Joint Proposal] notes that the per-customer credit will be based on lines in service when the credit is issued and, therefore, [the estimated credit amount of \$49.50 is] approximate.” Interim Order at 10. The Commission further adopts the Joint Proposal “with modifications[,]” which relate to McLeod's evidence of its own line count, and not to the current customers issue. Interim Order at 21. Finally, the Commission finds that “simplicity and ease of administration should be key controlling policy objectives.” Interim Order at 22.

5. All of these findings militate against granting AT&T's Petition, to the extent that the Commission elects to treat it as a motion for clarification. The Joint Proposal -- adopted by the Commission with only those modifications offered by McLeod -- clearly contemplates the credits going to customers of record on the day credits are issued. Likewise, the Commission's express desire that the credits be simply and easily administered would be frustrated if Ameritech is compelled to determine in October the precise identities of its customers in August, locate those who are no longer customers, and give those former customers credits.

6. That having been stated, the Staff is of the opinion that AT&T's concerns regarding the chilling and anti-competitive effect of the existing structure may be well-founded. Current Ameritech customers have little incentive to switch carriers until the credits are issued in October, regardless of how appealing competitors are able to make their own offerings. Indeed, those customers whose use of local service is modest, and whose monthly telephone bill is less than \$49.50, have little incentive to switch carriers until the credit is exhausted. Accordingly, to the extent that the Commission elects to treat AT&T's motion as one for rehearing of the *Interim Order*<sup>1</sup>, AT&T's argument regarding the chilling effect of the credit is not without merit.

7. Accordingly, the Staff urges the Commission to deny AT&T's Petition, to the extent that it seeks clarification of the *Interim Order*. The *Interim Order*, for the reasons set forth above, is clear upon the issue that AT&T seeks to

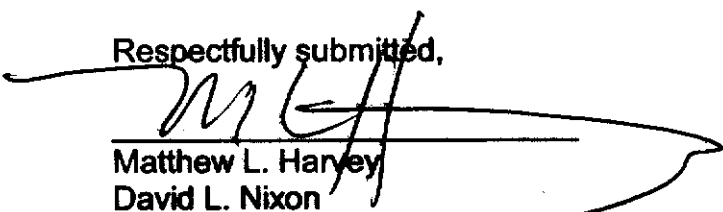
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<sup>1</sup> AT&T brings its Petition pursuant to Section 200.880 of the Rules of Practice, which is entitled "rehearing" and which deals specifically with the proper form, content and timing of applications for rehearing of Commission orders "on the merits[.]" 83 Ill. Admin. Code 200.880(a).

have clarified, and clarification is therefore unnecessary. To the extent that the Commission elects to treat AT&T's Petition as seeking rehearing, and to the extent that the Commission has not already considered AT&T's arguments, the Staff believes that such arguments have some merit, and that the Commission should consider them.

WHEREFORE, the Staff of the Illinois Commerce Commission respectfully requests that its recommendations be adopted in their entirety consistent with the arguments set forth herein.

Respectfully submitted,



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September 11, 2002

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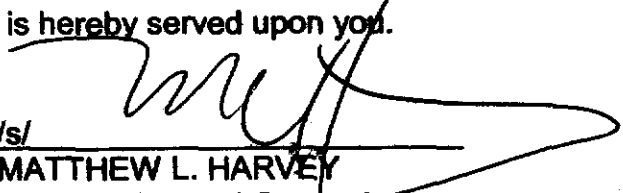
**STATE OF ILLINOIS  
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	)	98-0252
Application for Review of Alternative	)	
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	)	
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Company's Carrier Access and Network	)	
Access Line Rates.	)	(cons.)
	)	
Citizens Utility Board and	)	
The People of the State of Illinois	)	
-vs-	)	
Illinois Bell Telephone Company	)	
	)	00-0764
Verified Complaint for a Reduction in Illinois	)	
Bell Telephone Company's Rates and Other	)	
Relief.	)	

**NOTICE OF FILING**

PLEASE TAKE NOTICE that we have on this 12<sup>th</sup> day of September, 2002, filed with the Chief Clerk of the Illinois Commerce Commission, 527 East Capitol Avenue, Springfield, Illinois, the Response of the Staff of the Illinois Commerce Commission to AT&T's Motion for Clarification, a copy of which is hereby served upon you.

/s/

  
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that copies of the above Notice, together with copies of the document referred to therein, have been served upon the parties to whom the Notice is directed by mail, proper postage prepaid, from Chicago, Illinois on the 12<sup>th</sup> day of September, 2002.

/s/

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